

# EXHIBIT 16

**DECLARATION OF CASSANDRA MOSELEY**

I, Cassandra Moseley, declare as follows:

1. I am the Vice President for Research at Colorado State University (“CSU”) in Fort Collins, Colorado. I have held that position since January 2024.

2. As vice president for research, I have personal knowledge of the contents of this declaration or have knowledge of the matters based on my review of information and records gathered by CSU personnel and could testify thereto.

3. CSU receives substantial annual funding from the Department of Energy (“DOE”). In fiscal year 2024, CSU received \$24.9 million in total funding from the DOE. This includes \$6.6 million in indirect costs. CSU has 110 active awards with a total obligated amount of \$102.3 million of which \$21.1 million is indirect cost.

4. The funding CSU receives from DOE supports critical and cutting-edge research, which millions of Americans benefit from and depend on. For example:

- a. CSU’s research on laser-driven fusion energy enables American energy independence and supports the US fusion industry.
- b. CSU’s high-power laser research has produced new sources of high-energy x-rays that improve national defense and aerospace manufacturing.
- c. CSU’s energy research enables American energy independence by developing approaches to lower costs and increase production from diverse sources, including natural gas, waste materials, and photovoltaics.

- d. Research on advanced materials at CSU is leading to improved products at lower costs, including for metals in gas turbines, composite materials, and semiconductors in optical devices and computing, all of which are critical for US global competitiveness.
- e. CSU's research on recovery of critical minerals from soils has the potential to provide a pathway for US production of an urgently needed resource.
- f. CSU's research on energy, economics, and policy engineering associated with the integration of advanced technologies benefits crucial industries such as automotive engineering, energy systems, and autonomous transportation.
- g. CSU's techno-economic research applied across a range of energy technologies has been essential for de-risking emerging innovations and guiding them toward commercial viability, accelerating the deployment of solutions that enhance energy security and promoting domestic resilience.
- h. CSU's research on improved prediction of storms and severe weather, including thunderstorms and lake-effect snowstorms, directly enhances safety for tens of millions of people and improves long-term water management, benefitting agriculture.

5. Indirect costs are essential for supporting this research. The DOE's proposal to cut indirect cost rates to 15% would end or seriously jeopardize all the research projects described in paragraph 4.

6. Indirect costs include constructing and maintaining state-of-the-art facilities required to meet the current technical requirements of advanced research, as well as the

procurement and maintenance of equipment necessary to conduct such research. Without this infrastructure and equipment, CSU cannot conduct the research itself.

7. For example, with respect to the areas of research described in Paragraph 4:
  - a. High-power laser research that advances development of fusion energy and new sources of high-energy x-rays requires highly specialized optical and electronic equipment, vibration-proof facilities, ultra-clean laboratories, and facilities for nano-scale precision fabrication of materials.
  - b. The development of approaches to lower costs and increase production of new energy sources requires biotechnology and materials science laboratories, genomic sequencing instruments, highly sensitive mass spectrometers, electron microscopes, and bioreactors.
  - c. Research to develop new, advanced materials requires materials science and chemical synthesis laboratories, nuclear magnetic resonance instruments, advanced microscopes, and optical and electronic test equipment.
  - d. Research into new pathways for critical minerals recovery from soils requires biotechnology laboratories, genomic sequencing instruments, and chemical analysis equipment.
  - e. The development of new approaches to energy policy engineering and techno-economic analysis requires advanced computing equipment.
  - f. Research to improve prediction of storms and severe weather requires high-performance computing systems, including systems designed for AI-enabled computation.

8. Physical space costs are one of the largest components of indirect costs, and the amount of space available to researchers has a direct and obvious impact on the amount of research that can be done at CSU. Currently, CSU is developing a significant and complex new facility designed specifically to advance research and development in laser fusion energy technology, including vibration-proof foundations, high-level clean rooms, and cutting-edge laboratories. The construction of this state-of-the-art building will be at risk if indirect cost recovery is reduced.

9. In addition, indirect costs fund the administration of research awards, including staff who ensure compliance with a vast number of regulatory mandates from agencies such as DOE. These mandates serve many important functions, including ensuring research integrity; properly managing and disposing of chemical and biological agents used in research; preventing financial conflicts of interest; managing funds; preventing intellectual property, technologies, or national security expertise from being inappropriately accessed by foreign adversaries; and providing the high level of cybersecurity, data storage, and computing environments mandated for regulated data.

10. Recovery of CSU's indirect costs is based on predetermined rates that have been contractually negotiated with the federal government.

11. Through fiscal year 2026, the predetermined indirect cost rates are 54% for on-campus organized research; 26% for off-campus research; 35% for on-campus other sponsored activities; and 24% for off campus other sponsored activities.

12. The impact of a reduction in the indirect cost rate would be devastating. Of the \$25.9 million in DOE funding that CSU received in Fiscal Year 2024, approximately \$15.2 million was allocated for direct costs, \$4.1 million for subcontracts (which are not eligible for full overhead recovery), and \$6.6 million for indirect costs. Similarly, in fiscal year 2025, CSU expects to receive

\$15.2 million in DOE funding for direct costs, while \$6.6 million is allocated for indirect costs. And over the next five years, CSU anticipates receiving an average of \$15.2 million from the DOE for annual direct costs. Based on the predetermined indirect cost rate of 54% of modified total direct costs for on-campus research projects and other predetermined rates as applicable, which was agreed upon by the federal government as of 4 September 2024, the University thus expects to receive approximately \$6.6 million in indirect cost recovery on an annual basis from the DOE.

13. If—contrary to what CSU has negotiated with the federal government—the indirect cost rate is reduced to 15%, that would reduce the University’s anticipated annual indirect cost recovery by \$4.4 million to \$2.0 million.

14. This reduction will have deeply damaging effects on CSU’s ability to conduct research from day one. Most critically, it will necessarily and immediately result in staffing reductions. For example:

- a. CSU’s Office of Sponsored Programs, compliance staff, IT staff, and research administrators staffed within the individual colleges are charged with reviewing and managing all extramurally sponsored research, ensuring the safety and security of this research, and ensuring that all research, research data, and the management of research funding is conducted and managed in compliance with all relevant regulations and requirements. Without appropriate funding for indirect costs from the DOE, CSU would have to reduce staffing in these critical areas by an estimated 5-10 individuals, which would immediately impact its ability to ensure the effective and compliant management of research projects, programs, and funds. That would in turn lead to substantial delays in critical

research that relies on these compliance and administrative functions, including projects funded by DOE.

15. Like other research institutions in the United States, CSU has relied on the payment of indirect costs for decades. Until now, CSU has been able to rely on the consistent and well-established process for negotiating indirect cost rates with the government to inform the university's budgeting and planning. Operating budgets rely on an estimate of both direct and indirect sponsored funding to plan for annual staffing needs (*e.g.*, postdoctoral researchers, PhD students, and other research staff), infrastructure support (*e.g.*, IT networks, regulatory compliance, and grant management support), and facility and equipment purchases. And in some cases, CSU has long-term obligations—for example, tenured faculty salaries, admitted PhD students, and postdoctoral researchers—and it relies on budgeted grant funding to fulfill these commitments.

16. In addition to the immediate impacts and reliance interests described above, there are longer term impacts that are both cumulative and cascading. For example, reductions in indirect cost recovery would, over time, degrade research infrastructure such as buildings and equipment due to reduced funding to invest in maintenance and modernization and create gaps in safety and security due to inadequate staffing. These disinvestments would challenge CSU's ability to restart projects even if funding were restored.

17. Disruptions to CSU's research will also have negative effects in the Fort Collins and the Northern Colorado area, the state of Colorado, and the broader region. Approximately 8,150 Colorado Residents are directly employed by CSU—and it collaborates with state and local partners to help solve regional challenges through joint research and innovation. CSU's research also fuels spending in the regional economy, including by driving discoveries that launch new

ventures, attract private investment, and make a positive social impact. A significant reduction in CSU's research budget would immediately impact and seriously jeopardize these contributions to the local region.

18. Slowdowns or halts in research by CSU and other American universities will allow competitor nations that are maintaining their investments in research to surpass the United States on this front, threatening both our national security and our Nation's economic dominance. For example, CSU's DOE funded research in laser fusion energy has the potential for breakthrough discoveries that are critical for both national security and global economic competitiveness in the coming decades.

19. CSU cannot cover the funding gap itself. While CSU maintains an endowment, it is neither feasible nor sustainable for CSU to use endowment funds or other revenue sources to offset shortfalls in indirect cost recovery, for several reasons:

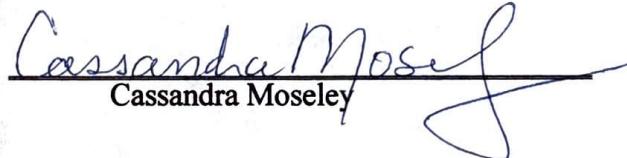
- a. Nearly all of CSU's endowment—around 96.7%—is restricted to specific donor-designated purposes, such as scholarships, faculty chairs, and academic programs. CSU is not legally permitted to use those funds to cover research infrastructure costs.
- b. Even the portion of the endowment that is unrestricted is subject to a carefully managed annual payout, typically around 4%, to ensure long-term financial stability for the institution.
- c. As a public institution of higher education, CSU invests nearly all of its revenue into mission-critical activities, leaving little margin to absorb unexpected funding gaps. In other words, unlike for-profit organizations, CSU does not generate

significant surpluses that could be redirected without impacting core academic priorities such as educational programs and financial aid support for students.

20. Moreover, absorbing the cost of a lower indirect cost rate, even if it were possible, would create long-term budget pressures on CSU—which would in turn force reductions in key investments supporting CSU's faculty, students, staff, research, and teaching infrastructure, as well as other critical activities needed to maintain CSU's academic excellence.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 13, 2025, at Fort Collins, Colorado.

  
Cassandra Moseley  
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